

AMENDED IN ASSEMBLY MARCH 24, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2554

Introduced by Assembly Member Rendon

February 21, 2014

~~An act to add Chapter 4.5 (commencing with Section 16788) to Part 3 of Division 4 of Title 2 of the Government Code, and to amend Sections 151 and 154 of the Water Code, relating to natural resources. An act to repeal and add Division 26.7 (commencing with Section 79700) of the Water Code, and to repeal Section 2 of Chapter 3 of the Seventh Extraordinary Session of the Statutes of 2009, relating to a clean, safe, and reliable drinking water program, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 2554, as amended, Rendon. ~~Bond accountability.~~ *Clean, Safe, and Reliable Drinking Water Act of 2014.*

(1) Existing law, the Safe, Clean, and Reliable Drinking Water Supply Act of 2012, if approved by the voters, would authorize the issuance of bonds in the amount of \$11,140,000,000 pursuant to the State General Obligation Bond Law to finance a safe drinking water and water supply reliability program. Existing law provides for the submission of the bond act to the voters at the November 4, 2014, statewide general election.

This bill would repeal these provisions.

(2) *Under existing law, various measures have been approved by the voters to provide funds for water supply and protection facilities and programs.*

This bill would enact the Clean, Safe, and Reliable Drinking Water Act of 2014, which, if adopted by the voters, would authorize the issuance of bonds in the amount of \$8,500,000,000 pursuant to the State General Obligation Bond Law to finance a clean, safe, and reliable drinking water program.

This bill would provide for the submission of the bond act to the voters at the November 4, 2014, statewide general election.

~~(1) Existing law provides for various oversight and reporting requirements for the expenditure of state funds, including the proceeds of bonds.~~

~~This bill would create the Natural Resources Bond Accountability Commission, to be composed of a specified membership, to provide independent review of all expenditures resulting from the adoption of any natural resources-related bond acts approved by the voters after January 1, 2014.~~

~~(2) Existing law establishes the California Water Commission in the Department of Water Resources. Under existing law, the commission consists of 9 members who are appointed to 4-year terms by the Governor, subject to confirmation by the Senate.~~

~~Existing law, the Safe, Clean, and Reliable Drinking Water Supply Act of 2012, if approved by the voters, would authorize the issuance of bonds in the amount of \$11,140,000,000 pursuant to the State General Obligation Bond Law to finance a safe drinking water and water supply reliability program. Existing law provides for the submission of the bond act to the voters at the November 4, 2014, statewide general election. The bond act, among other things, would continuously appropriate \$3,000,000,000 to the commission for public benefits associated with water storage projects, as specified.~~

~~This bill would require that the commission consist of 11 members by adding a member appointed by the Senate Committee on Rules and a member appointed by the Speaker of the Assembly.~~

Vote: majority ²/₃. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. Division 26.7 (commencing with Section 79700)*
2 *of the Water Code, as added by Section 1 of Chapter 3 of the*
3 *Seventh Extraordinary Session of the Statutes of 2009, is repealed.*

4 *SEC. 2. Division 26.7 (commencing with Section 79700) is*
5 *added to the Water Code, to read:*

6
7 *DIVISION 26.7. CLEAN, SAFE, AND RELIABLE DRINKING*
8 *WATER ACT OF 2014.*

9
10 *CHAPTER 1. SHORT TITLE*

11
12 *79700. This division shall be known, and may be cited, as the*
13 *Clean, Safe, and Reliable Drinking Water Act of 2014.*

14
15 *CHAPTER 2. FINDINGS*

16
17 *79701. The people of California find and declare all of the*
18 *following:*

19 *(a) Safeguarding supplies of clean and safe drinking water to*
20 *California's homes, businesses, and farms is an essential*
21 *responsibility of government, and critical to protecting the quality*
22 *of life for Californians.*

23 *(b) Every Californian should have access to clean, safe, and*
24 *reliable drinking water, consistent with the human right to water*
25 *and Section 106.3. Providing adequate supplies of clean, safe, and*
26 *reliable drinking water is vital to keeping California's economy*
27 *growing and strong.*

28 *(c) Climate change has impaired California's capacity to ensure*
29 *clean, safe, and reliable drinking water, as droughts have become*
30 *more frequent and more severe, and ecosystems have become*
31 *stressed. Higher temperatures mean less snow pack, which is the*
32 *state's largest water reservoir. Scientists project a loss of at least*
33 *25 percent of the snow pack in the Sierra Nevada Mountains by*
34 *2050. The Colorado River basin, which provides drinking water*
35 *to southern California, has experienced prolonged drought .*

36 *(d) California's water infrastructure continues to age and*
37 *deteriorate. More than 50 years ago, Californians approved the*
38 *construction of the State Water Project. In the decades that*

1 followed, California's water leaders developed the most
2 sophisticated system of state, federal, regional, and local water
3 infrastructure anywhere in the world. In recent decades, however,
4 that water infrastructure and the water environment on which it
5 depends have deteriorated.

6 (e) In the years since the voters approved the State Water
7 Project, California's population has continued to grow, from less
8 than 16 million in 1960 to more than 37 million in 2010. A growing
9 population and a growing economy have put greater stress on
10 California's natural resources, including water. The Department
11 of Finance projects that California's population will reach 50
12 million by 2049.

13 (f) A growing population and a growing economy have put
14 greater stress on California's natural resources, including water.
15 Contamination of groundwater aquifers from economic activity
16 in the agricultural and industrial sectors has threatened vital
17 drinking water supplies.

18 (g) As California and its water infrastructure have grown,
19 increasing demands on California's limited water supplies and
20 deteriorating aquatic ecosystems have led to intense conflict,
21 further threatening the reliability of clean and safe drinking water.
22 79702. The people of California find and declare all of the
23 following:

24 (a) A sustainable water future can provide the means for
25 California to maintain vibrant communities, globally competitive
26 agriculture, and healthy ecosystems, which are all a part of the
27 quality of life that attracts so many to live in California.

28 (b) Responding to climate change, ensuring clean and safe
29 drinking water, and preparing for California's continued growth
30 will require a diversified portfolio of strategies and investments
31 to address the many water challenges facing California.

32 (c) Improving water quality offers one of the most immediate
33 steps to ensuring a clean and safe drinking water supply. California
34 needs water quality improvements at all parts of the hydrologic
35 cycle, from source water in the watersheds where the state's
36 drinking water supplies originate to wastewater treatment and
37 potential reuse to improve surface water quality for those who live
38 downstream.

39 (d) Addressing the challenges to the sustainability of the Delta,
40 the heart of the California water system, will help resolve some

1 of the conflicts that impede progress in improving the statewide
2 water system.

3 (e) Enhancing regional water self-reliance consistent with
4 Section 85021 offers a key strategy for addressing climate change
5 and improving water supply reliability. It helps the Delta and it
6 helps local communities to address their own water challenges.
7 Water conservation and water recycling form one part of the
8 regional water self-reliance strategy and are commonsense
9 methods to make more efficient use of existing water supplies.

10
11 *CHAPTER 3. DEFINITIONS*
12

13 79703. Unless the context otherwise requires, the definitions
14 set forth in this section govern the construction of this division, as
15 follows:

16 (a) "CALFED Bay-Delta Program" means the program
17 described in the Record of Decision dated August 28, 2000.

18 (b) "Commission" means the California Water Commission.

19 (c) "Committee" means the Clean, Safe, and Reliable Drinking
20 Water Finance Committee created by Section 79802.

21 (d) "Delta" means the Sacramento-San Joaquin Delta, as
22 defined in Section 85058.

23 (e) "Delta conveyance facilities" means facilities that convey
24 water directly from the Sacramento River to the State Water Project
25 or the federal Central Valley Project pumping facilities in the
26 south Delta.

27 (f) "Delta counties" means the Counties of Contra Costa,
28 Sacramento, San Joaquin, Solano, and Yolo.

29 (g) "Department" means the Department of Water Resources.

30 (h) "Director" means the Director of Water Resources.

31 (i) "Disadvantaged community" has the meaning set forth in
32 subdivision (a) of Section 79505.5.

33 (j) "Economically distressed area" means a municipality with
34 a population of 20,000 persons or less, a rural county, or a
35 reasonably isolated and divisible segment of a larger municipality
36 where the segment of the population is 20,000 persons or less,
37 with an annual median household income that is less than 85
38 percent of the statewide median household income, and with one
39 or more of the following conditions as determined by the
40 department:

1 (1) *Financial hardship.*

2 (2) *Unemployment rate at least 2 percent higher than the*
3 *statewide average.*

4 (3) *Low population density.*

5 (k) *“Fund” means the Clean, Safe, and Reliable Drinking Water*
6 *Fund of 2014 created by Section 79717.*

7 (l) *“Integrated regional water management plan” has the*
8 *meaning set forth in Section 10534.*

9 (m) *“Nonprofit organization” means an organization qualified*
10 *to do business in California and qualified under Section 501(c)(3)*
11 *of Title 26 of the United States Code.*

12 (n) *“Public agency” means a state agency or department,*
13 *district, joint powers authority, city, county, city and county, or*
14 *other political subdivision of the state.*

15 (o) *“Rainwater” has the meaning set forth in subdivision (c) of*
16 *Section 10573.*

17 (p) *“Severely disadvantaged community” has the meaning set*
18 *forth in subdivision (n) of Section 116760.20 of the Health and*
19 *Safety Code.*

20 (q) *“Small community water system” means a community water*
21 *system that serves no more than 3,300 service connections or a*
22 *yearlong population of no more than 10,000 persons.*

23 (r) *“State General Obligation Bond Law” means the State*
24 *General Obligation Bond Law (Chapter 4 (commencing with*
25 *Section 16720) of Part 3 of Division 4 of Title 2 of the Government*
26 *Code).*

27 (s) *“State small water system” has the meaning set forth in*
28 *subdivision (n) of Section 116275 of the Health and Safety Code.*

29 (t) *“Stormwater” has the meaning set forth in subdivision (e)*
30 *of Section 10573.*

31
32 *CHAPTER 4. GENERAL PROVISIONS*
33

34 79705. *An amount that equals not more than 5 percent of the*
35 *funds allocated for a financial assistance program pursuant to*
36 *this division may be used to pay the administrative costs of that*
37 *program.*

38 79706. *Unless otherwise specified, up to 10 percent of funds*
39 *allocated for each program funded by this division may be*
40 *expended for planning and monitoring necessary for the successful*

1 *design, selection, and implementation of the projects authorized*
2 *under that program. This section shall not otherwise restrict funds*
3 *ordinarily used by an agency for “preliminary plans,” “working*
4 *drawings,” and “construction” as defined in the annual Budget*
5 *Act for a capital outlay project or grant project. Water quality*
6 *monitoring data shall be collected and reported to the State Water*
7 *Resources Control Board in a manner that is compatible and*
8 *consistent with surface water monitoring data systems or*
9 *groundwater monitoring data systems administered by the State*
10 *Water Resources Control Board. Watershed monitoring data shall*
11 *be collected and reported to the Department of Conservation in a*
12 *manner that is compatible and consistent with the statewide*
13 *watershed program data system administered by the Department*
14 *of Conservation.*

15 *79707. Chapter 3.5 (commencing with Section 11340) of Part*
16 *1 of Division 3 of Title 2 of the Government Code does not apply*
17 *to the development or implementation of programs or projects*
18 *authorized or funded under this division other than Chapter 9*
19 *(commencing with Section 79760).*

20 *79708. (a) Prior to disbursing grants or loans pursuant to this*
21 *division, each state agency that receives an appropriation from*
22 *the funding made available by this division to administer a*
23 *competitive grant or loan program under this division shall develop*
24 *and adopt project solicitation and evaluation guidelines. The*
25 *guidelines shall include monitoring and reporting requirements*
26 *and may include a limitation on the dollar amount of grants or*
27 *loans to be awarded. If the state agency previously has developed*
28 *and adopted project solicitation and evaluation guidelines that*
29 *comply with the requirements of this subdivision, it may use those*
30 *guidelines.*

31 *(b) Prior to disbursing grants or loans, the state agency shall*
32 *conduct three public meetings to consider public comments prior*
33 *to finalizing the guidelines, as the implementing state agency*
34 *determines to be necessary. The state agency shall publish the*
35 *draft solicitation and evaluation guidelines on its Internet Web*
36 *site at least 30 days before any public meetings held pursuant to*
37 *this subdivision. Upon adoption, the state agency shall transmit*
38 *copies of the guidelines to the fiscal committees and the*
39 *appropriate policy committees of the Legislature.*

40 *79709. It is the intent of the people that:*

1 (a) *The investment of public funds pursuant to this division will*
2 *result in public benefits that address the most critical statewide*
3 *needs and priorities for public funding.*

4 (b) *Beneficiaries pay for the benefits they receive from projects*
5 *funded pursuant to this division.*

6 (c) *In the appropriation and expenditure of funding authorized*
7 *by this division, priority will be given to projects that leverage*
8 *private, federal, or local funding or produce the greatest public*
9 *benefit.*

10 (d) *A funded project advances the purposes of the chapter from*
11 *which the project received funding.*

12 (e) *In making decisions regarding water resources, state and*
13 *local water agencies use the best available science to inform those*
14 *decisions.*

15 (f) *Special consideration will be given to projects that employ*
16 *new or innovative technology or practices, including decision*
17 *support tools that support the integration of multiple jurisdictions,*
18 *including, but not limited to, water supply, flood control, land use,*
19 *and sanitation.*

20 (g) *Except as provided in Sections 79726 and 79727, the costs*
21 *of stewardship, operation, and maintenance of the projects funded*
22 *by this division will be paid from other sources of revenue that are*
23 *sustainable over the long term.*

24 (h) *Evaluation of projects considered for funding pursuant to*
25 *this division will include review by professionals in the fields*
26 *relevant to the proposed project.*

27 (i) *To the extent practicable, a project supported by funds made*
28 *available by this division will include signage informing the public*
29 *that the project received funds from the Clean, Safe, and Reliable*
30 *Drinking Water Act of 2014.*

31 (j) *Projects funded with proceeds from this division will be*
32 *consistent with Division 7 (commencing with Section 13000) of*
33 *this code and Section 13100 of the Government Code.*

34 79710. (a) *The California State Auditor shall annually conduct*
35 *a programmatic review and an audit of expenditures from the fund.*

36 (b) *Notwithstanding Section 10231.5 of the Government Code,*
37 *the California State Auditor shall report its findings annually on*
38 *or before March 1 to the Governor and the Legislature, and shall*
39 *make the findings available to the public.*

1 (c) If an audit, required by statute, of a public agency that
2 receives funding authorized by this division is conducted pursuant
3 to state law and reveals any impropriety, the California State
4 Auditor or the Controller may conduct a full audit of any or all of
5 the activities of the public agency.

6 (d) The state agency issuing any grant or loan with funding
7 authorized by this division shall require adequate reporting of the
8 expenditures of the funding from the grant or loan.

9 79711. (a) Funds provided by this division shall not be
10 expended to support or pay for the costs of environmental
11 mitigation measures except as part of the environmental mitigation
12 costs of projects financed by this division. Funds provided by this
13 division may be used for environmental enhancements or other
14 public benefits.

15 (b) Funds provided by this division shall not be expended for
16 the acquisition or transfer of water rights except for a dedication
17 of water approved in accordance with Section 1707.

18 79712. Funds provided by this division shall not be expended
19 to pay the costs of the design, construction, operation, mitigation,
20 or maintenance of Delta conveyance facilities. Those costs shall
21 be the responsibility of the water agencies that benefit from the
22 design, construction, operation, or maintenance of those facilities.

23 79713. (a) This division does not diminish, impair, or
24 otherwise affect in any manner whatsoever any area of origin,
25 watershed of origin, county of origin, or any other water rights
26 protections, including, but not limited to, rights to water
27 appropriated prior to December 19, 1914, provided under the law.
28 This division does not limit or affect the application of Article 1.7
29 (commencing with Section 1215) of Chapter 1 of Part 2 of Division
30 2, Sections 10505, 10505.5, 11128, 11460, 11461, 11462, and
31 11463, and Sections 12200 to 12220, inclusive.

32 (b) For the purposes of this division, an area that utilizes water
33 that has been diverted and conveyed from the Sacramento River
34 hydrologic region, for use outside the Sacramento River hydrologic
35 region or the Delta, shall not be deemed to be immediately adjacent
36 thereto or capable of being conveniently supplied with water
37 therefrom by virtue or on account of the diversion and conveyance
38 of that water through facilities that may be constructed for that
39 purpose after January 1, 2014.

1 (c) Nothing in this division supersedes, limits, or otherwise
2 modifies the applicability of Chapter 10 (commencing with Section
3 1700) of Part 2 of Division 2, including petitions related to any
4 new conveyance constructed or operated in accordance with
5 Chapter 2 (commencing with Section 85320) of Part 4 of Division
6 35.

7 (d) Unless otherwise expressly provided, nothing in this division
8 supersedes, reduces, or otherwise affects existing legal protections,
9 both procedural and substantive, relating to the state board's
10 regulation of diversion and use of water, including, but not limited
11 to, water right priorities, the protection provided to municipal
12 interests by Sections 106 and 106.5, and changes in water rights.
13 Nothing in this division expands or otherwise alters the state
14 board's existing authority to regulate the diversion and use of
15 water or the courts' existing concurrent jurisdiction over California
16 water rights.

17 (e) Nothing in this division shall be construed to affect the
18 California Wild and Scenic Rivers Act (Chapter 1.4 (commencing
19 with Section 5093.50) of Division 5 of the Public Resources Code)
20 and funds authorized pursuant to this division shall not be available
21 for any project that could have an adverse effect on the values
22 upon which a wild and scenic river or any other river is afforded
23 protections pursuant to the California Wild and Scenic Rivers Act.

24 (f) Nothing in this division supersedes, limits, or otherwise
25 modifies the Sacramento-San Joaquin Delta Reform Act of 2009
26 (Division 35 (commencing with Section 85000)).

27 79714. Eligible applicants under this division are public
28 agencies, public utilities, federally recognized Indian tribes, state
29 Indian tribes listed on the Native American Heritage Commission's
30 California Tribal Consultation List, and nonprofit organizations.
31 A public agency may use funding authorized by this division to
32 benefit recipients of water from mutual water companies that
33 operate a public water system if the funding provides public
34 benefits. To be eligible for funding under this division, a project
35 proposed by a public utility shall have a clear and definite public
36 purpose, benefit its customers, and comply with Public Utilities
37 Commission rules on government funding for public utilities.

38 79715. The Legislature may enact legislation necessary to
39 implement programs funded by this division.

1 79716. (a) Unless otherwise specified, any state agency that
2 has the statutory authority to implement one or more of the
3 purposes specified in this bond may be eligible for appropriations
4 from the funding made available by this division.

5 (b) Funding made available by this division shall not be
6 appropriated to a specific project.

7 (c) Projects funded pursuant to this division may use the services
8 of the California Conservation Corps or certified community
9 conservation corps, as defined in Section 14507.5 of the Public
10 Resources Code.

11 (d) The Legislature may approve multiyear budget change
12 proposals for appropriation of the funds authorized by this division.

13 79717. The proceeds of bonds issued and sold pursuant to this
14 division shall be deposited into the Clean, Safe, and Reliable
15 Drinking Water Fund of 2014, which is hereby created in the State
16 Treasury.

17 79718. Each state agency that receives an appropriation of
18 funding made available by this division shall be responsible for
19 establishing metrics of success and reporting the status of projects
20 and all uses of the funding on the state's bond accountability
21 Internet Web site, as provided by statute.

22
23 CHAPTER 5. CLEAN AND SAFE DRINKING WATER
24

25 79720. The sum of one billion dollars (\$1,000,000,000) shall
26 be available, upon appropriation by the Legislature from the fund,
27 for expenditures, grants, and loans for projects that improve water
28 quality or help provide clean and safe drinking water to all
29 Californians.

30 79721. The projects eligible for funding pursuant to this chapter
31 shall help improve water quality for a beneficial use. The purposes
32 of this chapter are to:

33 (a) Reduce contaminants in drinking water supplies regardless
34 of the source of the water or the contamination, including the
35 assessment and prioritization of the risk to the safety of drinking
36 water supplies.

37 (b) Address the critical and immediate needs of disadvantaged,
38 rural, or small communities that suffer from contaminated drinking
39 water supplies, including, but not limited to, projects that address
40 a public health emergency.

1 (c) Leverage other private, federal, state, and local drinking
2 water quality and wastewater treatment funds.

3 (d) Reduce contaminants in discharges to, and improve the
4 quality of, surface water streams.

5 (e) Improve water quality of surface water streams, including
6 multibenefit stormwater quality projects.

7 (f) Prevent further contamination of drinking water supplies.

8 (g) Provide disadvantaged communities with public drinking
9 water infrastructure that provides clean and safe drinking water
10 supplies that the community can sustain over the long term.

11 (h) Ensure access to clean, safe, and affordable drinking water
12 for California's communities.

13 79722. (a) A project that receives funding under this chapter
14 shall be selected by a competitive grant or loan process with added
15 consideration for those projects that leverage private, federal, or
16 local funding. This subdivision shall not apply to projects for the
17 purposes of Section 79727 that address a public health priority
18 for which no other source of funding can be identified.

19 (b) An agency administering grants or loans for the purposes
20 of this chapter shall assess the capacity of a community to pay for
21 the operation and maintenance of the facility to be funded.

22 (c) A project that receives funding authorized by this chapter
23 may be implemented by any public water system or other public
24 water agency.

25 79723. An applicant for a project to clean up a groundwater
26 aquifer shall demonstrate that a public agency has authority to
27 manage the water resources in that aquifer in order to be eligible
28 for funding pursuant to this chapter. This section does not apply
29 to projects that install treatment facilities at the wellhead, customer
30 connection, or the tap.

31 79724. The contaminants that may be addressed with funding
32 pursuant to this chapter may include, but shall not be limited to,
33 nitrates, perchlorate, MTBE (methyl tertiary butyl ether), arsenic,
34 selenium, hexavalent chromium, mercury, PCE
35 (perchloroethylene), TCE (trichloroethylene), DCE
36 (dichloroethene), DCA (dichloroethane), 1,2,3-TCP
37 (trichloropropane), carbon tetrachloride, 1,4-dioxane,
38 1,4-dioxacyclohexane, nitrosodimethylamine, bromide, iron,
39 manganese, and uranium.

1 79725. *Of the funds authorized in Section 79720, not less than*
2 *four hundred million dollars (\$400,000,000) shall be available*
3 *for deposit in the State Water Pollution Control Revolving Fund*
4 *Small Community Grant Fund created pursuant to Section 13477.6*
5 *for grants for wastewater treatment projects. Priority shall be*
6 *given to projects that serve disadvantaged communities and*
7 *severely disadvantaged communities, and to projects that address*
8 *public health hazards. Projects may include, but not be limited to,*
9 *projects that identify, plan, design, and implement regional*
10 *mechanisms to consolidate wastewater systems or provide*
11 *affordable treatment technologies.*

12 79726. (a) *Of the funds authorized in Section 79720, one*
13 *hundred million dollars (\$100,000,000) shall be available for*
14 *deposit in the Emergency Clean Water Grant Fund, established*
15 *pursuant to Section 116475 of the Health and Safety Code, for*
16 *grants and direct expenditures to finance public health emergencies*
17 *and urgent actions, as may be determined by the Legislature, to*
18 *ensure that safe drinking water supplies are available to all*
19 *Californians. Eligible projects include, but are not limited to, the*
20 *following:*

21 (1) *Providing interim water supplies, including, but not limited*
22 *to, bottled water, where necessary to protect public health.*

23 (2) *Identifying, planning, designing, and constructing projects*
24 *that improve or replace existing water systems to provide safe,*
25 *reliable, accessible, and affordable drinking water, provide other*
26 *sources of safe drinking water, including, but not limited to,*
27 *replacement wells, and prevent contamination.*

28 (3) *Establishing connections to an adjacent water system.*

29 (4) *The design, purchase, installation, and initial operating*
30 *costs for interim water treatment equipment and systems.*

31 (b) *The administering entity may expend up to ten million dollars*
32 *(\$10,000,000) for grants and loans to address the water quality*
33 *needs of private well owners that have no other source of funding*
34 *and serve members of a disadvantaged community.*

35 79727. (a) *Of the funds authorized in Section 79720, four*
36 *hundred million dollars (\$400,000,000) shall be available for*
37 *grants and loans for public water system infrastructure*
38 *improvements and related actions to meet safe drinking water*
39 *standards, ensure affordable drinking water, or both. Priority*
40 *shall be given to projects that provide treatment for contamination*

1 or access to an alternate drinking water source or sources for
2 small community water systems or state small water systems in
3 disadvantaged communities whose drinking water source is
4 impaired by chemical and nitrate contaminants and other health
5 hazards identified by the implementing agency. Eligible recipients
6 serve disadvantaged communities and are public agencies or
7 incorporated mutual water companies. The implementing agency
8 may make grants for the purpose of financing feasibility studies
9 and to meet the eligibility requirements for a construction grant.
10 Eligible expenses may include initial operation and maintenance
11 costs for systems serving disadvantaged communities, for a period
12 not to exceed two years. Special consideration shall be given to
13 projects that provide shared solutions for multiple communities,
14 at least one of which is a disadvantaged community that lacks safe,
15 affordable drinking water and is served by a small community
16 water system, state small water system, or a private well.
17 Construction grants shall be limited to five million dollars
18 (\$5,000,000) per project, except that the implementing agency
19 may set a limit of not more than twenty million dollars
20 (\$20,000,000) for projects that provide regional benefits or are
21 shared among multiple entities, at least one of which shall be a
22 small disadvantaged community. Not more than 25 percent of a
23 grant may be awarded in advance of actual expenditures.

24 (b) The administering entity may expend up to twenty-five
25 million dollars (\$25,000,000) of the funds allocated in subdivision
26 (a) for technical assistance to eligible communities.

27 79728. Of the funds authorized in Section 79720, up to one
28 hundred million dollars (\$100,000,000) shall be available for
29 improving groundwater quality, including, but not limited to, the
30 costs of planning, design, and construction of improvements
31 necessary to resume delivery of safe drinking water.

32 79729. (a) For the purposes of awarding funding under this
33 chapter, a local cost share of not less than 50 percent of the total
34 costs of the project shall be required. The cost-sharing requirement
35 may be waived or reduced for projects that directly benefit a
36 disadvantaged community or an economically distressed area.

37 (b) At least 10 percent of the funds available pursuant to this
38 chapter shall be allocated for projects serving severely
39 disadvantaged communities.

1 (c) Funding authorized pursuant to this chapter shall include
2 funding for technical assistance to disadvantaged communities.
3 The agency administering this funding shall operate a
4 multidisciplinary technical assistance program for small and
5 disadvantaged communities.

6 (d) Funding for planning activities, including technical
7 assistance, to benefit disadvantaged communities may exceed 10
8 percent of the funds allocated, subject to the determination of the
9 need for additional planning funding by the state agency
10 administering the funding.

11
12 *CHAPTER 6. PROTECTING RIVERS, LAKES, STREAMS, COASTAL*
13 *WATERS, AND WATERSHEDS*
14

15 79730. The sum of one billion five hundred million dollars
16 (\$1,500,000,000) shall be available, upon appropriation by the
17 Legislature from the fund, in accordance with this chapter, for
18 expenditures and grants for multibenefit ecosystem and watershed
19 protection and restoration projects in accordance with statewide
20 priorities.

21 79731. (a) Of the funds made available by this chapter, the
22 following specified amounts shall be made available to the
23 specified regions for any purpose described in Section 79732 or
24 for a region-specific purpose or priority identified below:

25 (1) Seventy-six million dollars (\$76,000,000) for the North Coast
26 region with a priority for protection and restoration of anadromous
27 fish populations and coastal watersheds.

28 (2) One hundred nine million dollars (\$109,000,000) for the
29 San Francisco Bay Area, not including the Delta, with a priority
30 for protection and restoration of regional watersheds or watersheds
31 that provide water supply to the region.

32 (3) One hundred nine million dollars (\$109,000,000) for the
33 Sierra Nevada and Cascade Range region, with a priority for
34 protection and restoration of watersheds that produce water for
35 the statewide water system.

36 (4) Seventy-six million dollars (\$76,000,000) for the Central
37 Coast region, with a priority for protection of coastal resources.

38 (5) Seventy-six million dollars (\$76,000,000) for the Central
39 Valley region, not including the Delta.

1 (6) *One hundred forty-two million dollars (\$142,000,000) for*
2 *the region in the jurisdiction of the California Regional Water*
3 *Quality Control Board, Los Angeles, with a priority for protection,*
4 *restoration, and connectivity of the Los Angeles or San Gabriel*
5 *Rivers and the tributaries of those rivers. Additional region-specific*
6 *purposes shall include the following:*

7 (A) *Programs to support the State of California's exercise of*
8 *its sovereign right to manage the Los Angeles River in*
9 *collaboration with the communities through which it passes.*

10 (B) *Multibenefit programs to protect and restore the Santa*
11 *Monica Mountains and San Gabriel Mountains watersheds.*

12 (C) *Multibenefit programs that address water quality and water*
13 *supply issues related to the region's urban watersheds and*
14 *communities.*

15 (D) *Multibenefit programs to improve connectivity and create*
16 *greenways along rivers, including projects that build connections*
17 *between the river and the neighborhoods through which it passes*
18 *and provide for river-based recreation.*

19 (E) *Multibenefit programs that build partnerships between the*
20 *State of California and local governments near rivers and promote*
21 *education and engagement of the local communities, especially*
22 *disadvantaged communities, in decisions as to the management*
23 *of rivers.*

24 (7) *Seventy-six million dollars (\$76,000,000) for the region in*
25 *the jurisdiction of the California Regional Water Quality Control*
26 *Board, Santa Ana, with a priority for protection and restoration*
27 *of the Santa Ana River watershed or groundwater resources.*

28 (8) *Seventy-six million dollars (\$76,000,000) for the region in*
29 *the jurisdiction of the California Regional Water Quality Control*
30 *Board, San Diego, for protection and restoration of the region's*
31 *watersheds.*

32 (9) *Ten million dollars (\$10,000,000) for the region in the*
33 *jurisdiction of the California Regional Water Quality Control*
34 *Board, Lahontan or Colorado River Basin, for protection and*
35 *restoration of the region's watersheds and wetland resources.*

36 (b) *In selecting projects for funding, a state agency that receives*
37 *an appropriation of funds available pursuant to this section shall*
38 *seek, consider, and incorporate comments from communities that*
39 *are adjacent or near the proposed project.*

1 (c) *In order to promote community participation in watershed*
2 *protection efforts, a state agency that receives an appropriation*
3 *of funds available pursuant to this section may disburse funding*
4 *to a nonprofit organization before the organization has incurred*
5 *expenses for the project, subject to the state agency's careful*
6 *supervision and oversight of the organization's expenditure of*
7 *funding authorized by this chapter.*

8 79732. *In protecting and restoring California rivers, lakes,*
9 *streams, and watersheds, the purposes of this chapter are to:*

10 (a) *Protect and increase the economic benefits arising from*
11 *healthy watersheds, fishery resources, and instream flow.*

12 (b) *Implement watershed adaptation projects in order to reduce*
13 *the impacts of climate change on California's communities and*
14 *ecosystems.*

15 (c) *Restore river parkways throughout the state, including, but*
16 *not limited to, projects pursuant to the California River Parkway*
17 *Act of 2004 (Chapter 3.8 (commencing with Section 5750) of*
18 *Division 5 of the Public Resources Code), in the Urban Streams*
19 *Restoration Program established pursuant to Section 7048, and*
20 *urban river greenways.*

21 (d) *Protect and restore aquatic, wetland, and migratory bird*
22 *ecosystems, including fish and wildlife corridors and the*
23 *acquisition of water rights for instream flow pursuant to Section*
24 *1707.*

25 (e) *Fulfill the obligations of the State of California in complying*
26 *with the terms of multiparty settlement agreements related to water*
27 *resources.*

28 (f) *Remove barriers to fish passage.*

29 (g) *Collaborate with federal agencies in the protection of fish*
30 *native to California and wetlands in the central valley of*
31 *California.*

32 (h) *Implement fuel treatment projects to reduce wildfire risks,*
33 *protect watersheds tributary to water storage facilities, and*
34 *promote watershed health.*

35 (i) *Protect and restore rural and urban watershed health to*
36 *improve watershed storage capacity, forest health, protection of*
37 *life and property, stormwater resource management, and*
38 *greenhouse gas reduction.*

1 (j) *Promote access and recreational opportunities to watersheds*
2 *and waterways that are compatible with habitat values and water*
3 *quality objectives.*

4 (k) *Promote educational opportunities to instruct and inform*
5 *Californians, including young people, about the value of*
6 *watersheds.*

7 (l) *Protect and restore coastal watersheds, including, but not*
8 *limited to, bays, marine estuaries, and nearshore ecosystems.*

9 (m) *Reduce pollution or contamination of rivers, lakes, streams,*
10 *or coastal waters, prevent and remediate mercury contamination*
11 *from legacy mines, and protect or restore natural system functions*
12 *that contribute to water supply, water quality, or flood*
13 *management.*

14 (n) *Assist in the recovery of endangered, threatened, or*
15 *migratory species by improving watershed health, instream flows*
16 *pursuant to Section 1707, fish passage, coastal or inland wetland*
17 *restoration, or other means, such as natural community*
18 *conservation plan and habitat conservation plan implementation.*

19 (o) *Promote urban forestry pursuant to the Urban Forest Act*
20 *of 1978 (Chapter 2 (commencing with Section 4799.06) of Division*
21 *4 of the Public Resources Code).*

22 79733. *For restoration and ecosystem protection projects under*
23 *this chapter, the services of the California Conservation Corps or*
24 *a local conservation corps certified by the California Conservation*
25 *Corps shall be used whenever feasible.*

26 79734. (a) *Notwithstanding Section 79711, of the funds*
27 *authorized in Section 79730, five hundred million dollars*
28 *(\$500,000,000) shall be available to fulfill the obligations of the*
29 *State of California in complying with the terms of any of the*
30 *following:*

31 (1) *The February 18, 2010, Klamath Basin Restoration*
32 *Agreement or Klamath Hydroelectric Settlement Agreement.*

33 (2) *The Quantification Settlement Agreement, as provided in*
34 *subdivision (a) of Section 1 of Chapter 617 of the Statutes of 2002*
35 *and in Chapters 611, 612, and 613 of the Statutes of 2003.*

36 (3) *The San Joaquin River Restoration Settlement, as described*
37 *in Part I of Subtitle A of Title X of Public Law 111-11.*

38 (4) *Section 3406(d) of Title 34 of Public Law 102-575.*

1 (5) *The Tahoe Regional Planning Compact set forth in Section*
2 *66801 of the Government Code pursuant to Title 7.42 (commencing*
3 *with Section 66905) of the Government Code.*

4 (b) *Of the funds authorized in Section 79730, two hundred fifty*
5 *million dollars (\$250,000,000) shall be available to the Natural*
6 *Resources Agency, subject to appropriation and direction by the*
7 *Legislature, to support projects of a state conservancy, not*
8 *including the Delta Conservancy, as provided in the conservancy's*
9 *strategic plan.*

10 (c) *In order to guide the expenditure of funds described in this*
11 *chapter, the Natural Resources Agency shall develop a statewide*
12 *natural resource protection plan to identify priorities consistent*
13 *with the purposes of this section. All expenditures by state*
14 *conservancies and state agencies of funds described in this section*
15 *shall advance the priorities set forth in the statewide natural*
16 *resource protection plan. The plan shall aggregate and coordinate*
17 *existing state planning efforts and shall be completed within one*
18 *year of voter approval of this division.*

19 (d) *In coordination with the Natural Resources Agency, all state*
20 *conservancies expending funds provided pursuant to subdivision*
21 *(b) shall provide biennial written reports to the Natural Resources*
22 *Agency on expenditures made and how those expenditures advance*
23 *the statewide priorities set forth in the statewide natural resource*
24 *protection plan developed pursuant to subdivision (c). The Natural*
25 *Resources Agency shall produce and make available to the public*
26 *biennial written reports on total expenditures made and progress*
27 *toward meeting statewide priorities.*

28 79735. *For the purposes of this chapter, the terms "protection"*
29 *and "restoration" have the meanings set forth in Section 75005*
30 *of the Public Resources Code.*

31
32 *CHAPTER 7. CLIMATE CHANGE AND DROUGHT PREPAREDNESS*
33 *FOR REGIONAL WATER SECURITY*
34

35 79740. *The sum of two billion dollars (\$2,000,000,000) shall*
36 *be available, upon appropriation by the Legislature from the fund,*
37 *for expenditures and competitive grants and loans to projects that*
38 *respond to climate change and contribute to regional water*
39 *security as provided in this chapter.*

1 79741. *In order to improve regional water self-reliance and*
2 *adapt to the effects on water supply arising out of climate change,*
3 *the purposes of this chapter are to:*

4 (a) *Help water infrastructure systems adapt to climate change,*
5 *including, but not limited to, sea level rise.*

6 (b) *Provide incentives for water agencies throughout each*
7 *watershed to collaborate in managing the region's water resources*
8 *and setting regional priorities for water infrastructure.*

9 (c) *Improve regional water self-reliance, including projects that*
10 *reduce future reliance on the Delta watershed in meeting*
11 *California's future water supply needs, consistent with Section*
12 *85021.*

13 (d) *Fund the increment of project costs, up to 50 percent of the*
14 *total cost of a project, related to the project's public benefits,*
15 *defined as follows:*

16 (1) *Any regional self-reliance improvement to meet water supply*
17 *needs.*

18 (2) *Any net improvement to public trust resources, including*
19 *the conservation of species listed as endangered or threatened*
20 *under the federal Endangered Species Act of 1973 (16 U.S.C. Sec.*
21 *1531 et seq.) or the California Endangered Species Act (Chapter*
22 *1.5 (commencing with Section 2050) of Division 3) of the Fish and*
23 *Game Code.*

24 79742. (a) *In selecting among proposed projects in a*
25 *watershed, the scope of the adopted integrated regional water*
26 *management plan may be considered by the administering state*
27 *agency, with priority going to projects in plans that cover a greater*
28 *portion of the watershed. If a plan covers substantially all of the*
29 *watershed, then the plan's project priorities shall be given*
30 *deference.*

31 (b) *An urban water supplier that does not prepare, adopt, and*
32 *submit its urban water management plan in accordance with the*
33 *Urban Water Management Planning Act (Part 2.6 (commencing*
34 *with Section 10610) of Division 6) is ineligible to apply for funds*
35 *made available pursuant to this chapter until the urban water*
36 *management plan is prepared and submitted in accordance with*
37 *the requirements of that act.*

38 (c) *An agricultural water supplier that does not prepare, adopt,*
39 *and submit its agricultural water management plan in accordance*
40 *with the Agricultural Water Management Planning Act (Part 2.8*

1 *(commencing with Section 10800) of Division 6) is ineligible to*
2 *apply for funds made available pursuant to this chapter until the*
3 *agricultural water management plan is prepared and submitted*
4 *in accordance with the requirements of that act.*

5 *(d) A local agency that does not prepare, adopt, and submit its*
6 *groundwater management plan in accordance with Part 2.75*
7 *(commencing with Section 10750) of Division 6 is ineligible to*
8 *apply for funds made available pursuant to this chapter until the*
9 *plan is prepared and submitted in accordance with the*
10 *requirements of that part. The groundwater management plan*
11 *requirement shall not apply to a water replenishment district*
12 *formed pursuant to Division 18 (commencing with Section 60000)*
13 *or to a local agency that serves or has authority to manage an*
14 *adjudicated groundwater basin.*

15 *(e) For the purposes of awarding funding under this chapter,*
16 *a cost share from nonstate sources of not less than 50 percent of*
17 *the total costs of the project shall be required. The cost sharing*
18 *requirement may be waived or reduced for projects that directly*
19 *benefit a disadvantaged community or an economically distressed*
20 *area.*

21 *(f) Not less than 10 percent of the funds authorized by this*
22 *chapter shall be allocated to projects that directly benefit*
23 *disadvantaged communities.*

24 *(g) For the purposes of awarding funding under Section 79744,*
25 *the applicant shall demonstrate that the integrated regional water*
26 *management plan the applicant's project implements contributes*
27 *to addressing the risks in the region to water supply and water*
28 *infrastructure arising from climate change.*

29 *(h) Projects that achieve multiple benefits shall receive special*
30 *consideration.*

31 *79743. Subject to the determination of regional priorities by*
32 *the regional water management group and the purposes described*
33 *in Section 79741, projects eligible for funding allocated regionally*
34 *by Section 79744 may include, but are not limited to, projects that*
35 *promote any of the following:*

36 *(a) Water reuse and recycling for nonpotable reuse and direct*
37 *and indirect potable reuse.*

38 *(b) Water-use efficiency and water conservation.*

39 *(c) Local and regional surface and underground water storage,*
40 *including groundwater aquifer cleanup or recharge projects.*

1 (d) Regional water conveyance facilities that improve
2 integration of separate water systems.

3 (e) Watershed protection, restoration, and management projects,
4 including projects that reduce the risk of wildfire or improve water
5 supply reliability.

6 (f) Stormwater resource management, including, but not limited
7 to, the following:

8 (1) Projects to reduce, manage, treat, or capture rainwater or
9 stormwater.

10 (2) Projects that provide multiple benefits such as water quality,
11 water supply, flood control, or open space.

12 (3) Decision support tools that evaluate the benefits and costs
13 of multibenefit stormwater projects.

14 (4) Projects to implement a stormwater resource plan developed
15 in accordance with Part 2.3 (commencing with Section 10560) of
16 Division 6.

17 (g) Conjunctive use of surface and groundwater storage
18 facilities.

19 (h) Water desalination projects.

20 (i) Decision support tools to model regional water management
21 strategies to account for climate change and other changes in
22 regional demand and supply projections.

23 79744. (a) Of the funds authorized in Section 79740, the sum
24 of one billion dollars (\$1,000,000,000) shall be allocated to the
25 hydrologic regions as identified in the California Water Plan in
26 accordance with this section. For the South Coast hydrologic
27 region, the department shall establish three funding areas that
28 reflect the watersheds of San Diego County and southern Orange
29 County (designated as the San Diego subregion), the Santa Ana
30 River watershed (designated as the Santa Ana subregion), and the
31 Los Angeles and Ventura County watersheds (designated as the
32 Los Angeles subregion), and shall allocate funds to those areas
33 in accordance with this subdivision. The North and South Lahontan
34 hydrologic regions shall be treated as one area for the purpose of
35 allocating funds. For purposes of this subdivision, the Sacramento
36 River hydrologic region does not include the Delta. For purposes
37 of this subdivision, the Mountain Counties Overlay is not eligible
38 for funds from the Sacramento River hydrologic region or the San
39 Joaquin River hydrologic region. Multiple integrated regional

1 *water management plans may be recognized in each of the areas*
2 *allocated funding.*

3 *(b) Funds described in this section shall be allocated as follows:*

4 *(1) Forty-five million dollars (\$45,000,000) for the North Coast*
5 *hydrologic region.*

6 *(2) One hundred thirty-two million dollars (\$132,000,000) for*
7 *the San Francisco Bay hydrologic region.*

8 *(3) Fifty-eight million dollars (\$58,000,000) for the Central*
9 *Coast hydrologic region.*

10 *(4) One hundred ninety-eight million dollars (\$198,000,000)*
11 *for the Los Angeles subregion.*

12 *(5) One hundred twenty-eight million dollars (\$128,000,000)*
13 *for the Santa Ana subregion.*

14 *(6) Eighty-seven million dollars (\$87,000,000) for the San Diego*
15 *subregion.*

16 *(7) Seventy-six million dollars (\$76,000,000) for the Sacramento*
17 *River hydrologic region.*

18 *(8) Sixty-four million dollars (\$64,000,000) for the San Joaquin*
19 *River hydrologic region.*

20 *(9) Seventy million dollars (\$70,000,000) for the Tulare/Kern*
21 *hydrologic region.*

22 *(10) Fifty-one million dollars (\$51,000,000) for the North/South*
23 *Lahontan hydrologic region.*

24 *(11) Forty-seven million dollars (\$47,000,000) for the Colorado*
25 *River Basin hydrologic region.*

26 *(12) Forty-four million dollars (\$44,000,000) for the Mountain*
27 *Counties Overlay.*

28 *(c) Funds allocated pursuant to this section may be used for the*
29 *purposes described in Sections 79745 and 79747.*

30 *79745. (a) Of the funds authorized by Section 79740, two*
31 *hundred fifty million dollars (\$250,000,000) shall be available for*
32 *direct expenditures, grants, and loans for water conservation and*
33 *water use efficiency plans, projects, and programs, including either*
34 *of the following:*

35 *(1) Urban water conservation plans, projects, and programs,*
36 *including regional projects and programs, implemented to achieve*
37 *urban water use targets developed pursuant to Section 10608.20.*
38 *Priority for funding shall be given to programs that do any of the*
39 *following:*

1 (A) Assist water suppliers and regions to implement conservation
2 programs and measures that are not locally cost effective.

3 (B) Support water supplier and regional efforts to implement
4 programs targeted to enhance water use efficiency for commercial,
5 industrial, and institutional water users.

6 (C) Assist water suppliers and regions with programs and
7 measures targeted toward realizing the conservation benefits of
8 implementation of the provisions of the state landscape model
9 ordinance.

10 (2) Agricultural water management plans or agricultural water
11 use efficiency projects and programs developed pursuant to Part
12 2.8 (commencing with Section 10800) of Division 6. Of the funds
13 provided by this section, one hundred million dollars
14 (\$100,000,000) shall be available for improving on-farm water
15 use efficiency, including, but not limited to, drip irrigation.

16 (b) Section 1011 applies to all conservation measures that an
17 agricultural water supplier or an urban water supplier implements
18 with funding under this chapter. This subdivision does not limit
19 the application of Section 1011 to any other measures or projects
20 implemented by a water supplier.

21 (c) For purposes of this section, funded projects shall not be
22 required to comply with the requirements of the Integrated
23 Regional Water Management Planning Act of 2002 (Part 2.2
24 (commencing with Section 10530) of Division 6). The funding
25 available pursuant to this section may be appropriated to an
26 integrated regional water management program or plan.

27 79746. Of the funds authorized by Section 79740, five hundred
28 million dollars (\$500,000,000) shall be available, upon
29 appropriation by the Legislature from the fund, for grants and
30 low-interest loans for water recycling and advanced treatment
31 technology projects, including all of the following:

32 (a) Water recycling projects, including, but not limited to,
33 treatment, storage, conveyance, and distribution facilities for
34 potable and nonpotable recycling projects.

35 (b) Contaminant and salt removal projects, including, but not
36 limited to, groundwater and seawater desalination and associated
37 treatment, storage, conveyance, and distribution facilities.

38 (c) Dedicated distribution infrastructure to serve residential,
39 agricultural, commercial, and industrial end-users to allow the
40 use of recycled water.

1 (d) Pilot projects for new salt and contaminant removal
2 technology.

3 (e) Groundwater recharge infrastructure related to recycled
4 water.

5 (f) Technical assistance and grant writing assistance for
6 disadvantaged communities.

7 (g) For projects funded pursuant to this section, at least a 50
8 percent local cost share shall be required. That cost share may be
9 suspended or reduced for disadvantaged communities and
10 economically distressed areas.

11 (h) Water supply reliability improvement for critical urban
12 water supplies in designated superfund areas with groundwater
13 contamination listed on the National Priorities List established
14 pursuant to Section 105 of the Comprehensive Environmental
15 Response, Compensation, and Liability Act of 1980, as amended
16 (42 U.S.C. Sec. 9605(a)(8)(B)).

17 (i) Projects funded pursuant to this section shall be selected on
18 a competitive basis, considering all of the following criteria:

19 (1) Regional water supply reliability improvement.

20 (2) Water quality and ecosystem benefits related to decreased
21 reliance on diversions from the Delta or instream flows.

22 (3) Public health benefits from improved drinking water quality.

23 (4) Cost effectiveness.

24 (5) Energy efficiency and greenhouse gas emission impacts.

25 (6) Reasonable geographic allocation to eligible projects
26 throughout the state including both northern and southern
27 California and coastal and inland regions.

28 (j) For the purposes of this section, eligible projects shall
29 implement a plan or strategy by one or more regional water
30 agencies or integrated regional water management groups to
31 incorporate water recycling or advanced treatment technology
32 into the region's water supplies.

33 (k) For purposes of this section, competitive programs shall be
34 implemented consistent with water recycling programs
35 administered pursuant to Sections 79140 and 79141 or consistent
36 with desalination programs administered pursuant to Sections
37 79545 and 79547.2.

38 (l) For purposes of this section, funded projects shall not be
39 required to comply with the requirements of the Integrated

1 *Regional Water Management Planning Act of 2002 (Part 2.2*
2 *(commencing with Section 10530) of Division 6).*

3 79747. (a) *It is the policy of the State of California that*
4 *stormwater shall be managed for water supply benefits to the*
5 *maximum extent possible, in conjunction with other benefits that*
6 *effective stormwater management may provide. Funding for*
7 *stormwater management shall be drawn from federal, state,*
8 *regional, and local agency resources, to the extent available.*

9 (b) *Of the funds authorized by Section 79740, two hundred fifty*
10 *million dollars (\$250,000,000) shall be available for grants and*
11 *loans for multibenefit stormwater management projects.*

12 (c) *Eligible projects may include, but shall not be limited to,*
13 *green infrastructure, rainwater and stormwater capture projects,*
14 *and stormwater treatment facilities.*

15 (d) *Development of plans for stormwater projects shall address*
16 *the entire watershed and incorporate the perspectives of*
17 *communities adjacent to the affected waterways, especially*
18 *disadvantaged communities.*

19 (e) *For purposes of this section, funded projects shall not be*
20 *required to comply with the requirements of the Integrated*
21 *Regional Water Management Planning Act of 2002 (Part 2.2*
22 *(commencing with Section 10530) of Division 6). The funding*
23 *available pursuant to this section may be appropriated to an*
24 *integrated regional water management program or plan.*

25 79748. *In order to receive funding authorized by this chapter*
26 *to address groundwater quality or supply in an aquifer, the*
27 *applicant shall demonstrate that a public agency has authority to*
28 *manage the water resources in that aquifer. A groundwater*
29 *management plan adopted and approved pursuant to Part 2.75*
30 *(commencing with Section 10750) of Division 6 shall be deemed*
31 *sufficient to satisfy the requirements of this section.*

32
33 *CHAPTER 8. SACRAMENTO-SAN JOAQUIN DELTA*
34 *SUSTAINABILITY*
35

36 79750. (a) *The sum of one billion dollars (\$1,000,000,000)*
37 *shall be available, upon appropriation by the Legislature from the*
38 *fund, for grants and direct expenditures to improve the*
39 *sustainability of the Delta as follows:*

1 (1) Four hundred million dollars (\$400,000,000) of the funding
2 available pursuant to this chapter shall be available for the purpose
3 identified in subdivision (b) of Section 79751.

4 (2) Six hundred million dollars (\$600,000,000) of the funding
5 available pursuant to this chapter shall be available for the
6 purposes identified in subdivisions (a) and (c) of Section 79751.

7 (3) Funding available pursuant to paragraphs (1) and (2) may
8 be combined to provide funding to projects that accomplish more
9 than one of the purposes identified in Section 79751.

10 (b) This chapter provides state funding for public benefits
11 associated with projects needed to assist in the Delta's
12 sustainability as a vital resource for fish, wildlife, water quality,
13 water supply, agriculture, and recreation.

14 79751. In order to promote the sustainability and resiliency
15 of the Delta, the purposes of this chapter are to:

16 (a) Protect, restore, and enhance the Delta ecosystem.

17 (b) Maintain and improve existing Delta levees.

18 (c) Promote the sustainability of the Delta.

19 79752. The funds authorized in Section 79750 shall not be used
20 to pay the costs of a public agency exercising eminent domain to
21 acquire or use property. All property acquired with moneys
22 available pursuant to this chapter shall be acquired from willing
23 sellers.

24 79754. Funding authorized by this chapter for the purpose of
25 subdivision (a) of Section 79751 may include, but is not limited
26 to, the following:

27 (a) Projects to protect and restore native fish and wildlife
28 dependent on the Delta ecosystem, including improvement of
29 aquatic or terrestrial habitat or the removal or reduction of
30 undesirable invasive species.

31 (b) Projects to reduce greenhouse gas emissions from exposed
32 Delta soils.

33 (c) Scientific studies and assessments that support the projects
34 authorized under this section.

35 79755. (a) Funding authorized by this chapter for the purpose
36 of subdivision (b) of Section 79751 shall reduce the risk of levee
37 failure and flood in the Delta and may be expended, consistent
38 with the Delta levee investment priorities recommended pursuant
39 to Section 85306, for any of the following:

1 (1) Local assistance under the Delta levee maintenance
2 subventions program under Part 9 (commencing with Section
3 12980) of Division 6, as that part may be amended.

4 (2) Special flood protection projects under Chapter 2
5 (commencing with Section 12310) of Part 4.8 of Division 6, as
6 that chapter may be amended.

7 (3) Levee improvement projects that increase the resiliency of
8 levees within the Delta to withstand earthquake, flooding, or sea
9 level rise.

10 (4) Emergency response and repair projects.

11 (b) All projects funded pursuant to this section shall be subject
12 to Section 79050.

13
14 *CHAPTER 9. WATER STORAGE FOR CLIMATE CHANGE*

15
16 79760. (a) Notwithstanding Section 162, the commission may
17 make the determinations, findings, and recommendations required
18 of it by this chapter independent of the views of the director. All
19 final actions by the commission in implementing this chapter shall
20 be taken by a majority of the members of the commission at a
21 public meeting noticed and held pursuant to the Bagley-Keene
22 Open Meeting Act (Article 9 (commencing with Section 11120) of
23 Chapter 1 of Part 1 of Division 3 of Title 2 of the Government
24 Code).

25 (b) The commission shall submit project status reports as
26 requested to the Department of Finance.

27 (c) Projects shall be selected by the commission through a
28 competitive public process that ranks potential projects based on
29 the expected return for public investment as measured by the
30 magnitude of the public benefits provided, pursuant to criteria
31 established under this chapter.

32 (d) Only projects selected by the commission shall be eligible
33 for funding authorized by this chapter. Funding authorized by this
34 chapter shall be appropriated to the commission.

35 (e) The commission shall, to the extent feasible, maximize the
36 following:

37 (1) Leveraging of the funding made available in this chapter
38 with funds from federal, local, and private sources.

39 (2) Statewide storage benefits or regional storage benefits that
40 promote regional self-reliance.

1 79761. *The sum of three billion dollars (\$3,000,000,000) is*
2 *hereby continuously appropriated from the fund, without regard*
3 *to fiscal years, to the commission, for expenditures, competitive*
4 *grants, and loans for public benefits associated with projects that*
5 *expand the state's water storage capacity.*

6 79762. *In order to expand the state's water storage capacity*
7 *to address the impacts of climate change on the snow pack in the*
8 *Sierra Nevada Mountains and water storage resources, the*
9 *purposes of this chapter are to:*

- 10 (a) *Construct new surface water storage projects.*
11 (b) *Restore and expand groundwater aquifer storage capacity.*
12 (c) *Restore water storage capacity of existing surface water*
13 *storage reservoirs.*
14 (d) *Remediate or prevent contamination of groundwater*
15 *aquifers.*
16 (e) *Construct and expand stormwater retention facilities.*

17 79763. *Projects for which the public benefits are eligible for*
18 *funding under this chapter consist of only the following:*

- 19 (a) *Surface storage projects identified in the CALFED Bay-Delta*
20 *Program Record of Decision, dated August 28, 2000, except for*
21 *projects prohibited by Chapter 1.4 (commencing with Section*
22 *5093.50) of Division 5 of the Public Resources Code.*
23 (b) *Groundwater storage projects and groundwater*
24 *contamination prevention or remediation projects that provide*
25 *water storage benefits.*
26 (c) *Conjunctive use and reservoir reoperation projects.*
27 (d) *Local and regional surface storage projects that improve*
28 *the operation of water systems in the state, including, but not*
29 *limited to, reservoirs for storing recycled water.*
30 (e) *Projects that remove sediment, improve dam stability in*
31 *seismic events, or otherwise restore water storage capacity in*
32 *existing water storage reservoirs.*

33 79764. *A project in the Delta watershed or an area that*
34 *receives water from the Delta watershed shall be eligible for*
35 *funding pursuant to this chapter to further the policy set forth in*
36 *Section 85021.*

37 79765. (a) *Funds allocated pursuant to this chapter may be*
38 *expended solely for the following public benefits associated with*
39 *water storage projects:*

1 (1) *Ecosystem improvements, including changing the timing of*
2 *water diversions, improvement in flow conditions, temperature,*
3 *or other benefits that contribute to restoration of aquatic*
4 *ecosystems and native fish and wildlife, including those ecosystems*
5 *and fish and wildlife in the Delta or the Delta tributaries.*

6 (2) *Water quality improvements in the Delta, or in other river*
7 *systems, that provide significant public trust fish and wildlife*
8 *resources, or that clean up and restore groundwater resources.*

9 (3) *Flood control benefits, including, but not limited to,*
10 *increases in flood reservation space in existing reservoirs by*
11 *exchange for existing or increased water storage capacity in*
12 *response to the effects of changing hydrology and decreasing snow*
13 *pack on California's water and flood management system.*

14 (4) *Regional water storage benefits for more than one drinking*
15 *water supplier or more than 3,000,000 people.*

16 (5) *Emergency response, including, but not limited to, securing*
17 *emergency water supplies and flows for dilution and salinity*
18 *repulsion following a natural disaster or act of terrorism.*

19 (b) *Funds shall not be expended pursuant to this chapter for*
20 *the costs of environmental mitigation measures or compliance*
21 *obligations .*

22 79766. *In consultation with the Department of Fish and*
23 *Wildlife, the State Water Resources Control Board, and the*
24 *department, the commission shall develop and adopt, by regulation,*
25 *methods for quantification and management of public benefits*
26 *described in Section 79765 by December 15, 2015. The regulations*
27 *shall include the priorities and relative environmental value of*
28 *ecosystem benefits as provided by the Department of Fish and*
29 *Wildlife and the priorities and relative environmental value of*
30 *water quality benefits as provided by the State Water Resources*
31 *Control Board.*

32 79767. (a) *Except as provided in subdivision (c), no funds*
33 *allocated pursuant to this chapter may be allocated for a project*
34 *until the commission approves the project based on the*
35 *commission's determination that all of the following have occurred:*

36 (1) *The commission has adopted the regulations specified in*
37 *Section 79766 and specifically quantified and made public the cost*
38 *of the public benefits associated with the project.*

39 (2) *The department has entered into a contract with each party*
40 *that will derive benefits, other than public benefits, as defined in*

1 Section 79765, from the project that ensures the party will pay its
2 share of the total costs of the project. The benefits available to a
3 party shall be consistent with that party's share of total project
4 costs.

5 (3) The department has entered into a contract with each public
6 agency identified in Section 79766 that administers the public
7 benefits, after that agency makes a finding that the public benefits
8 of the project for which that agency is responsible meet all the
9 requirements of this chapter, to ensure that the public contribution
10 of funds pursuant to this chapter achieves the public benefits
11 identified for the project.

12 (4) The commission has held a public hearing for the purposes
13 of providing an opportunity for the public to review and comment
14 on the information required to be prepared pursuant to this
15 subdivision.

16 (5) All of the following additional conditions are met:

17 (A) Feasibility studies have been completed.

18 (B) The commission has found and determined that the project
19 is feasible, is consistent with all applicable laws and regulations,
20 and, if the project is in the Delta watershed or an area that receives
21 water from the Delta watershed, will advance one or more of the
22 policy objectives specified in Section 85020.

23 (C) All environmental documentation associated with the project
24 has been completed, and all other federal, state, and local
25 approvals, certifications, and agreements required to be completed
26 have been obtained.

27 (b) The commission shall submit to the Legislature its findings
28 for each of the criteria identified in subdivision (a) for a project
29 funded pursuant to this chapter.

30 (c) Notwithstanding subdivision (a), funds may be made
31 available under this chapter for the completion of environmental
32 documentation and permitting of a project.

33 79768. (a) The public benefit cost share of a project funded
34 pursuant to this chapter shall not exceed 50 percent of the total
35 costs of any project funded under this chapter.

36 (b) In order to receive funding authorized by this chapter to
37 improve groundwater storage in an aquifer, the applicant shall
38 demonstrate that a public agency has authority to manage the
39 water resources in that aquifer.

1 79769. (a) A project is not eligible for funding under this
2 chapter unless, by January 1, 2018, all of the following conditions
3 are met:

4 (1) All feasibility studies are complete and draft environmental
5 documentation is available for public review.

6 (2) The commission makes a finding that the project is feasible,
7 and will advance the long-term objectives of restoring ecological
8 health and improving water management for beneficial uses.

9 (3) The director receives commitments for not less than 75
10 percent of the nonpublic benefit cost share of the project.

11 (b) If compliance with subdivision (a) is delayed by litigation
12 or failure to promulgate regulations, the date in subdivision (a)
13 shall be extended by the commission for a time period that is equal
14 to the time period of the delay, and funding under this chapter that
15 has been dedicated to the project shall be encumbered until the
16 time at which the litigation is completed or the regulations have
17 been promulgated.

18 79770. (a) Funding authorized by this chapter shall not be
19 used to pay any share of the costs of remediation attributed to
20 parties responsible for the contamination of a groundwater storage
21 aquifer, but may be used to pay costs that cannot be recovered
22 from responsible parties. Parties that receive funding for
23 remediating groundwater storage aquifers shall exercise their best
24 efforts to recover the costs of groundwater cleanup from the parties
25 responsible for the contamination.

26 (b) Projects that leverage funding from local agencies and
27 responsible parties to the maximum extent possible shall receive
28 priority consideration in groundwater storage project selection.

29
30 *CHAPTER 10. FISCAL PROVISIONS*
31

32 79800. (a) Bonds in the total amount of eight billion five
33 hundred million dollars (\$8,500,000,000), or so much thereof as
34 is necessary, not including the amount of any refunding bonds
35 issued in accordance with Section 79812 may be issued and sold
36 to provide a fund to be used for carrying out the purposes
37 expressed in this division and to reimburse the General Obligation
38 Bond Expense Revolving Fund pursuant to Section 16724.5 of the
39 Government Code. The bonds, when sold, shall be and constitute
40 a valid and binding obligation of the State of California, and the

1 *full faith and credit of the State of California is hereby pledged*
2 *for the punctual payment of both principal of, and interest on, the*
3 *bonds as the principal and interest become due and payable.*

4 *(b) The Treasurer shall sell the bonds authorized by the*
5 *committee pursuant to this section. The bonds shall be sold upon*
6 *the terms and conditions specified in a resolution to be adopted*
7 *by the committee pursuant to Section 16731 of the Government*
8 *Code.*

9 *79801. The bonds authorized by this division shall be prepared,*
10 *executed, issued, sold, paid, and redeemed as provided in the State*
11 *General Obligation Bond Law (Chapter 4 (commencing with*
12 *Section 16720) of Part 3 of Division 4 of Title 2 of the Government*
13 *Code), and all of the provisions of that law apply to the bonds and*
14 *to this division and are hereby incorporated in this division as*
15 *though set forth in full in this division, except subdivisions (a) and*
16 *(b) of Section 16727 of the Government Code.*

17 *79802. (a) Solely for the purpose of authorizing the issuance*
18 *and sale pursuant to the State General Obligation Bond Law*
19 *(Chapter 4 (commencing with Section 16720) of Part 3 of Division*
20 *4 of Title 2 of the Government Code) of the bonds authorized by*
21 *this division, the Clean, Safe, and Reliable Drinking Water Finance*
22 *Committee is hereby created. For purposes of this division, the*
23 *Clean, Safe, and Reliable Drinking Water Finance Committee is*
24 *the "committee" as that term is used in the State General*
25 *Obligation Bond Law.*

26 *(b) The committee consists of the Director of Finance, the*
27 *Treasurer, the Controller, the Director of Water Resources, and*
28 *the Secretary of the Natural Resources Agency. Notwithstanding*
29 *any other provision of law, any member may designate a*
30 *representative to act as that member in his or her place for all*
31 *purposes, as though the member were personally present.*

32 *(c) The Treasurer shall serve as chairperson of the committee.*

33 *(d) A majority of the committee may act for the committee.*

34 *79803. The committee shall determine whether or not it is*
35 *necessary or desirable to issue bonds authorized pursuant to this*
36 *division in order to carry out the actions specified in this division*
37 *and, if so, the amount of bonds to be issued and sold. Successive*
38 *issues of bonds may be authorized and sold to carry out those*
39 *actions progressively, and it is not necessary that all of the bonds*
40 *authorized to be issued be sold at any one time.*

1 79804. For purposes of the State General Obligation Bond
2 Law, “board,” as defined in Section 16722 of the Government
3 Code, means the Department of Water Resources.

4 79805. There shall be collected each year and in the same
5 manner and at the same time as other state revenue is collected,
6 in addition to the ordinary revenues of the state, a sum in an
7 amount required to pay the principal of, and interest on, the bonds
8 each year. It is the duty of all officers charged by law with any
9 duty in regard to the collection of the revenue to do and perform
10 each and every act that is necessary to collect that additional sum.

11 79806. Notwithstanding Section 13340 of the Government
12 Code, there is hereby appropriated from the General Fund in the
13 State Treasury, for the purposes of this division, an amount that
14 will equal the total of the following:

15 (a) The sum annually necessary to pay the principal of, and
16 interest on, bonds issued and sold pursuant to this division, as the
17 principal and interest become due and payable.

18 (b) The sum that is necessary to carry out the provisions of
19 Section 79809, appropriated without regard to fiscal years.

20 79807. The board may request the Pooled Money Investment
21 Board to make a loan from the Pooled Money Investment Account
22 in accordance with Section 16312 of the Government Code for the
23 purpose of carrying out this division less any amount withdrawn
24 pursuant to Section 79809. The amount of the request shall not
25 exceed the amount of the unsold bonds that the committee has, by
26 resolution, authorized to be sold for the purpose of carrying out
27 this division. The board shall execute those documents required
28 by the Pooled Money Investment Board to obtain and repay the
29 loan. Any amounts loaned shall be deposited in the fund to be
30 allocated in accordance with this division.

31 79808. Notwithstanding any other provision of this division,
32 or of the State General Obligation Bond Law, if the Treasurer
33 sells bonds that include a bond counsel opinion to the effect that
34 the interest on the bonds is excluded from gross income for federal
35 tax purposes under designated conditions or is otherwise entitled
36 to any federal tax advantage, the Treasurer may maintain separate
37 accounts for the bond proceeds invested and for the investment
38 earnings on those proceeds, and may use or direct the use of those
39 proceeds or earnings to pay any rebate, penalty, or other payment
40 required under federal law or take any other action with respect

1 *to the investment and use of those bond proceeds, as may be*
2 *required or desirable under federal law in order to maintain the*
3 *tax-exempt status of those bonds and to obtain any other advantage*
4 *under federal law on behalf of the funds of this state.*

5 79809. *For the purposes of carrying out this division, the*
6 *Director of Finance may authorize the withdrawal from the*
7 *General Fund of an amount or amounts not to exceed the amount*
8 *of the unsold bonds that have been authorized by the committee*
9 *to be sold for the purpose of carrying out this division less any*
10 *amount borrowed pursuant to Section 79807. Any amounts*
11 *withdrawn shall be deposited in the fund. Any moneys made*
12 *available under this section shall be returned to the General Fund,*
13 *with interest at the rate earned by the moneys in the Pooled Money*
14 *Investment Account, from proceeds received from the sale of bonds*
15 *for the purpose of carrying out this division.*

16 79810. *All moneys deposited in the fund that are derived from*
17 *premium and accrued interest on bonds sold pursuant to this*
18 *division shall be reserved in the fund and shall be available for*
19 *transfer to the General Fund as a credit to expenditures for bond*
20 *interest, except that amounts derived from premium may be*
21 *reserved and used to pay the cost of bond issuance prior to any*
22 *transfer to the General Fund.*

23 79811. *Pursuant to Chapter 4 (commencing with Section*
24 *16720) of Part 3 of Division 4 of Title 2 of the Government Code,*
25 *the cost of bond issuance shall be paid out of the bond proceeds,*
26 *including premium, if any. To the extent the cost of bond issuance*
27 *is not paid from premiums received from the sale of bonds, these*
28 *costs shall be shared proportionately by each program funded*
29 *through this division by the applicable bond sale.*

30 79812. *The bonds issued and sold pursuant to this division*
31 *may be refunded in accordance with Article 6 (commencing with*
32 *Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of*
33 *the Government Code, which is a part of the State General*
34 *Obligation Bond Law. Approval by the voters of the state for the*
35 *issuance of the bonds under this division shall include approval*
36 *of the issuance of any bonds issued to refund any bonds originally*
37 *issued under this division or any previously issued refunding bonds.*

38 79813. *The proceeds from the sale of bonds authorized by this*
39 *division are not "proceeds of taxes" as that term is used in Article*

1 *XIII B of the California Constitution, and the disbursement of these*
2 *proceeds is not subject to the limitations imposed by that article.*

3 *SEC. 3. Section 2 of Chapter 3 of the Seventh Extraordinary*
4 *Session of the Statutes of 2009, as amended by Section 1 of Chapter*
5 *74 of the Statutes of 2012, is repealed.*

6 *SEC. 4. Section 2 of this act shall be submitted to the voters at*
7 *the November 4, 2014, statewide general election in accordance*
8 *with provisions of the Government Code and the Elections Code*
9 *governing the submission of a statewide measure to the voters.*

10 *SEC. 5. Section 2 of this act shall take effect upon the approval*
11 *by the voters of the Clean, Safe, and Reliable Drinking Water Act*
12 *of 2014, as set forth in that section at the November 4, 2014,*
13 *statewide general election.*

14 ~~SECTION 1. Chapter 4.5 (commencing with Section 16788)~~
15 ~~is added to Part 3 of Division 4 of Title 2 of the Government Code,~~
16 ~~to read:~~

17
18 ~~CHAPTER 4.5. NATURAL RESOURCES BOND ACCOUNTABILITY~~
19 ~~COMMISSION~~
20

21 ~~16788. The Natural Resources Bond Accountability~~
22 ~~Commission is hereby created in the Controller's office. As used~~
23 ~~in this chapter, "commission" means the Natural Resources Bond~~
24 ~~Accountability Commission.~~

25 ~~16789. (a) The commission shall be composed of five~~
26 ~~members, as follows:~~

27 ~~(1) The Controller.~~

28 ~~(2) The Secretary for Environmental Protection.~~

29 ~~(3) The Director of Finance.~~

30 ~~(4) Two members of the public, with the Senate Committee on~~
31 ~~Rules and the Speaker of the Assembly each appointing one of~~
32 ~~these persons.~~

33 ~~(b) (1) In order to provide for staggered terms, members of the~~
34 ~~public appointed to the commission shall be appointed to initial~~
35 ~~terms to expire as follows:~~

36 ~~(A) The person appointed by the Speaker of the Assembly shall~~
37 ~~be appointed to a term that expires on January 1, 2017.~~

38 ~~(B) The person appointed by the Senate Committee on Rules~~
39 ~~shall be appointed to a term that expires on January 1, 2019.~~

1 ~~(2) Following expiration of each of the initial terms provided~~
2 ~~for in this subdivision, members of the public appointed to the~~
3 ~~commission shall serve four-year terms.~~

4 ~~(c) If a vacancy occurs within a term, the appointing authority~~
5 ~~shall appoint a replacement member within 30 days to serve the~~
6 ~~remainder of the term. When a term expires, the appointing~~
7 ~~authority shall appoint a member within 30 days of the expiration~~
8 ~~date.~~

9 ~~(d) The members of the commission shall elect one of the~~
10 ~~members as the chair and another member as the vice chair. The~~
11 ~~chair and vice chair shall be elected at the first meeting of each~~
12 ~~calendar year or when a vacancy exists. The chair shall preside at~~
13 ~~all meetings of the commission and the vice chair shall preside in~~
14 ~~the absence of the chair.~~

15 ~~16790. The Controller shall furnish to the commission, at its~~
16 ~~request, assistance, including, but not limited to, technical, legal,~~
17 ~~and clerical services, as is required.~~

18 ~~16791. This chapter shall apply only to any natural~~
19 ~~resources-related state general obligation bond act approved by~~
20 ~~the voters after January 1, 2014.~~

21 ~~16792. (a) Within 45 days of the Legislature appropriating~~
22 ~~moneys from a bond act, the state entity receiving the appropriation~~
23 ~~shall report to the Joint Legislative Budget Committee and the~~
24 ~~commission on the projects the state entity may implement or~~
25 ~~allocate the money for implementation.~~

26 ~~(b) Before a project is approved for implementation, the state~~
27 ~~entity responsible for its implementation or for allocating the~~
28 ~~money for its implementation shall deliver information to the~~
29 ~~commission, as the commission determines is necessary, for the~~
30 ~~commission to determine whether the project is consistent with~~
31 ~~the purposes of the bond act and applicable existing law. The state~~
32 ~~entity responsible for implementation of the project or for~~
33 ~~allocating the money for its implementation shall neither implement~~
34 ~~the project nor allocate the money for its implementation until the~~
35 ~~commission determines the project is consistent with the purposes~~
36 ~~of the bond act and applicable existing law.~~

37 ~~(c) (1) Before a project is approved for implementation, a~~
38 ~~responsible state entity shall report to the commission whether the~~
39 ~~project contributes to the achievement of a statewide natural~~
40 ~~resource priority.~~

~~(2) Using reports received pursuant to paragraph (1), the commission shall annually review whether statewide natural resource priorities are being achieved.~~

~~(d) After a responsible state entity has implemented a project or allocated the money for a project's implementation, the entity shall provide annual progress reports to the commission detailing the use of the bond funds.~~

~~(e) A responsible state entity shall ensure that its reporting under this section is provided in a timely manner and in a format requested by the commission.~~

~~(f) (1) The commission shall ensure that detailed information provided pursuant to this section will be available online in a searchable format, and updated at least annually.~~

~~(2) The commission shall annually prepare and make available online an executive summary of its findings, including a summary and analysis of the data, and any conclusions and recommendations, in a format the commission determines will provide useful for the public.~~

~~16793. (a) The commission shall provide independent review of all project expenditures funded with the proceeds of a bond act.~~

~~(b) The commission may request that the Controller audit a public entity that receives funds from the proceeds of a bond act.~~

~~(c) The commission shall have access and authority to examine and obtain any document from a public or private entity related to the use of the proceeds of a bond act.~~

~~(d) The commission shall have the power to subpoena all necessary persons and records for the purposes of this chapter.~~

~~(e) If a public or private entity violates any provision of law, the commission may bar that public or private entity from receiving the proceeds of a bond act.~~

~~SEC. 2. Section 151 of the Water Code is amended to read:~~

~~151. The California Water Commission consists of 11 members, appointed as follows:~~

~~(a) Nine members appointed by the Governor subject to the confirmation of the Senate, as provided in this article.~~

~~(b) One member appointed by the Senate Committee on Rules.~~

~~(c) One member appointed by the Speaker of the Assembly.~~

~~SEC. 3. Section 154 of the Water Code is amended to read:~~

1 154. ~~Appointments shall be for terms of four years. Vacancies~~
2 ~~shall be immediately filled for the unexpired portion of the terms~~
3 ~~in which they occur.~~

O